

The following provision becomes a part of the section of the policy called "Benefit Provisions".

RESIDUAL DISABILITY

(Nothing in this Provision limits the policy definition of "Total Disability")

Additional Definitions

"Residual Disability" means you are:

- (a) unable to do one or more of the substantial and material duties of your profession; or
- (b) unable to do your usual daily business duties for substantially as much time as is usually required to do such duties.

"Monthly Income" means:

- (a) monthly income from salary, wages, bonuses, commissions, fees or other remuneration earned from services rendered which are;
 - (b) exclusive of normal and customary business expenses but before deduction of income taxes.
- It does not include dividends, rents, royalties, annuities or other forms of unearned income.

"Prior Monthly Income" means the greater of your:

- (a) average Monthly Income during the 12 months just prior to the period of disability for which you are making claim; or
- (b) average Monthly Income during the calendar year just prior to that period of disability.

But any such Monthly Income in excess of \$15,000 will not be used as Prior Monthly Income.

The "Prior Monthly Income" will be adjusted at the same time and by the same percentage as the "Increase in Benefits" or "Increase in Benefits for Total Disability" provision, whichever is applicable, of this policy.

"Current Monthly Income" means your Monthly Income during each month of Residual Disability for which you make your claim.

"Loss of Monthly Income" means the difference between Prior Monthly Income and Current Monthly Income. Any Loss of Monthly Income of more than 75% of the Prior Monthly Income will be deemed to be 100%.

"Monthly Benefit" is the amount shown in the Schedule as such.

"Residual Disability Monthly Benefit" is the benefit payable for each month of Residual Disability. It will be figured monthly as follows:

$$\frac{\text{Loss of Monthly Income}}{\text{Prior Monthly Income}} \times \text{Monthly Benefit} = \text{Residual Disability Monthly Benefit}$$

The Premium for this benefit is included in the premium shown in the Schedule.

WJ-1817 Rev 1/89

Residual Disability Benefit

Jefferson-Pilot will periodically pay the Residual Disability Monthly Benefit if:

- (a) Injury or Sickness results in Residual Disability;
- (b) the Residual Disability starts before the premium due date of this policy on or next following your 65th birthday.

This benefit will begin:

- (a) the next day after the end of the Elimination Period shown in the Schedule; or
- (b) the next day after the end of a period for which Total Disability has become payable, if later.

During a period of Residual Disability, Jefferson-Pilot will continue to pay the Residual Disability Monthly Benefit for each month you are Residually Disabled until the combination of Total Disability and Residual Disability Benefits equal the Maximum Benefit Period. However, the Residual Benefit will not be paid for longer than 24 months if:

- (a) you were 55 years old or older when the period of disability began; and
- (b) Residual Disability is not preceded by at least 180 days of Total Disability due to the same or related cause.

Benefits paid for the first 6 months of Residual Disability will be the greater of:

- (a) 50% of the Monthly Benefit for Total Disability; or
- (b) the Residual Disability Monthly Benefit.

Limitations

The Residual Disability Benefit will not be paid for any period of time:

- (a) during which your Loss of Monthly Income is not at least 20% of your Prior Monthly Income.
- (b) that you are not under the care and attendance of a Doctor; or
- (c) that benefits are payable for Total Disability or loss of sight, speech, hearing, or use of two members.

Jefferson-Pilot may require you to present reasonable proof of your Current Monthly Income and your Prior Monthly Income.

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The following provision becomes a part of the Section of the policy captioned "Benefit Provisions".

SOCIAL SECURITY SUPPLEMENT

The Monthly Benefit of this policy will be increased by the amount of the Social Security Supplement Benefit shown in the Schedule if:

- (1) you are entitled to receive Monthly Benefits for Total Disability;
- (2) the period of Total Disability begins prior to the premium due date of this policy next following your 65th birthday; and
- (3) Social Security Benefits are not payable.

However, the Social Security Supplement Benefit shall not be payable unless:

- (1) at the commencement of the period of Total Disability you meet the coverage requirements for Social Security;
- (2) you apply for Social Security Benefits as soon as you become entitled to such; and
- (3) your application for Social Security Benefits is not approved.

Following a denial of your application for Social Security Benefits you must within 30 days of the date on which each such request can be filed, file a request for reconsideration, a hearing or an appeal.

You may convert the amount of the Social Security Supplement Benefit to a regular Monthly Benefit if:

- (1) you become ineligible for benefits under the Social Security Act of the United States; or
- (2) benefits are drastically reduced by Legislation.

The conversion will be the subject to Jefferson-Pilot's then current underwriting rules with respect to the relationship of earnings to total benefit amounts for disability.

For the purposes of the General Provisions of this policy captioned "Proof of Loss", written proof will included, but not be limited to, the correspondence between you and the Social Security Administration.

The premium for the above benefit is included in the premium shown in the Schedule.

WJ-1527A

ADDITIONAL INCREASE IN BENEFITS RIDER

Policy Number _____

Effective Date (if different from Effective Date of Policy) _____

Initial Premium (unless included in the Schedule of Insurance) _____

In consideration of the increased premium for this Rider, the policy referred to above is hereby amended by changing from 3% to 7% the percentage shown in the benefit provision captioned "Increase in Benefits."

This Rider becomes effective at the same time as the policy unless otherwise stated above.

This Rider terminates:

- (1) When the policy terminates; or
- (2) On the first premium due date after your 65th birthday.

All provisions of your policy remain the same except where they are changed by this Rider.

PILOT LIFE INSURANCE COMPANY

W Linville Roach
Secretary

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